

**Pre-Application Technical Assistance Reports for the
Access to Recovery Grant Program**

Report on Technical Assistance to Missouri

May 2004

Prepared under

Center for Substance Abuse Treatment
Contract No. 277-00-6400, Task Order No. 277-00-6403

By

The Performance Partnership Grant
Technical Assistance Coordinating Center



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Substance Abuse and Mental Health Services Administration
Center for Substance Abuse Treatment
www.samhsa.gov

Consultation between Chris Hansen and the State of Missouri Written Report

Contents

- Introduction and Purpose of TA
- Methodology
- Content of TA Discussion
- Consultant's Background

Introduction and Purpose of TA

The State of Missouri requested TA on the following issues: (1) whether Missouri's current system for allocating funds could be adapted for the ATR voucher program, (2) what financial controls might be used to minimize the risk of over- or under spending on vouchers, and (3) what issues are involved regarding choice in assessment providers. Assistance with these issues was provided by Chris Hansen, a technical expert from Johnson, Bassin & Shaw, Inc. (A summary of the consultant's professional experience appears at the end of this report.)

Methodology

The TA took place by telephone on May 11, 2004. The TA was informal and entailed the discussion of questions related to the issues identified in the Purpose of the TA. Participants included the consultant from Johnson, Bassin and Shaw, Inc. (Chris Hansen) and representatives from the Missouri Division of Alcohol and Drug Abuse—Mark Stringer (Deputy Director), Marsha Buckner (Director of Administration), Pamela Leyhe (Director of Federal Programs), Laurie Epple (Director of Operations), Greg Riley (Consultant), and Katy Schlup (Consultant).

Notes are paraphrased and are not verbatim.

Content of TA Discussion

Issue #1: Use of Missouri's system for allocating funds

Missouri: *The SSA is concerned about controlling costs, forecasting expenditures, and managing allocations. The State described a current system that allocates available funds to providers on a quarterly basis, against which a provider can submit claims on a fee-for-service basis. No promise is made that the provider will be able to claim all allocated funds, and unspent funds are reallocated monthly. Missouri is considering using this system to manage some ATR funds. Although there would be no Not To Exceed (NTE) amounts on printed vouchers, the SSA's information management system imposes reimbursement caps on expenditures for individual client services. Caps may be exceeded only by going through a clinical utilization review (concurrent review) process.*

Consultant Recommendation: Missouri’s clients are already free to go wherever they choose, even with the current “allocation” method. In reality, funding has been divorced from service contracts in Missouri for several years. The Consultant helped participants understand that “allocation,” as the term is used in Missouri, is a misnomer. What Missouri gives its community-based providers is nothing more than a ceiling up to which they may invoice on a quarterly basis. In that way, dollars are fluid and may be redirected to other parts of the state as needed. Call participants stated that the Consultant helped them realize that dropping the term “allocation” from their language and correspondence would allow for a more accurate description of their actual practice and be more consistent with the voucher requirements of ATR.

Issue #2: Financial controls to minimize risks of over- and under-spending

Missouri: *What alternatives might provide the combination of financial controls that would minimize the risk of both overspending and under-spending?*

Consultant: Two possibilities would be (1) voucher utilization tracking, and (2) issuance controls.

(1) Voucher utilization tracking. If Missouri tracked the actual spending rate of providers in the aggregate against vouchers issued, they would be able to determine a “utilization rate” for issued vouchers. This rate could be used to forecast what future claims Missouri should expect for a new voucher. Initially, without experience, Missouri would need to assume a voucher utilization rate in the range of 85 percent. As time goes on, the State would be able to increase the sophistication of the utilization measure, identifying claim rates by service type and by month after issuance. By the second year of the grant, Missouri should be able to forecast statistically, with good accuracy, their future monthly expenditures for all issued vouchers.

(2) Issuance controls. Using controls over voucher issuance rates and voucher content could also be considered as a way of managing funds when expenditure rates are greater than can be sustained over the entire year. A number of options are possible. Missouri could do any or a combination of the following:

- Reduce the rates paid for services (effectively cutting the cost of care and perhaps the quality of care).
- Reduce the NTE amount on a voucher (effectively shortening the length of stay).
- Reduce the rate of issuance of new vouchers (effectively placing clients on a wait list).
- Limit or halt entirely the issuance of new vouchers for specific modalities.

- Limit the issuance of new vouchers to priority populations for a period of time.
- Reduce or halt issuance of assessment vouchers (effectively slowing or halting the entire system).

Issue #3: Choice of assessment providers

Missouri: *The State also wished to discuss offering clients a choice for assessment providers, in the same manner as clients have a choice of clinical treatment and recovery support providers.*

Consultant: SAMHSA has clearly stated that choice is not required for assessment providers.

Missouri: *Does a non-faith-based provider need to be one of the choices of assessment locations?*

Consultant: SAMHSA has clearly stated that choice is not required for assessment providers.

Missouri: *Our State would prefer to have treatment providers as a choice for assessment locations. Do assessments always have to be independent?*

Consultant: Using treatment providers as assessors is not prohibited, but the State will need to describe how it would deal with the potential conflicts of interests. (It was not clear whether the State was proposing that having a choice of assessment providers would deal with the conflict-of-interest problem.)

Consultant's Background

Chris Hansen

Chris Hansen is a Senior Researcher with Johnson, Bassin & Shaw, Inc. Mr. Hansen has had an extensive career as an expert in substance abuse and management information systems, first at the State of Washington and now nationally. He has been a clinician, a treatment facility director, a program administrator, a research investigator, a software industry executive, and a consultant in substance abuse and information systems. He has managed State-level programs for adolescent treatment, women's services, childcare, Native American services, prevention, and workplace programs. He has led development of more than 40 State-level data systems in substance abuse and other human services fields. His information technology experience with voucher systems includes documents, negotiable instruments, electronic benefit transfer cards, and electronic vouchers in the Women, Infants, and Children and Farmers Market nutrition programs, Medicaid, job training, childcare, and developmental disabilities.

Mr. Hansen is the technical lead for Access to Recovery technical assistance to States in the Information Technology domain.